GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:268
ANSWERED ON:04.12.2007
INTERNATIONAL DIAMOND TRADE CENTRE
Rana Shri Kashi Ram

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has any proposal for setting up of an International Diamond Trade Centre in the country;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the special steps taken to protect the interests of the diamond industry and its workers?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 268 FOR ANSWER ON 4TH DECEMBER, 2007 REGARDING `INTERNATIONAL DIAMOND TRADE CENTRE`

(a) & (b) No, Sir.

(c) The Government has taken following steps to protect the interests of the diamond industry and its workers -

(i) Export of gems and jewellery, which also includes cut and polished diamonds, has been identified as a thrust sector in the Foreign Trade Policy (2004-09).

(ii) The licencing regime for rough diamonds has been abolished and Customs duty on import of rough diamonds has been reduced to 0%.

(iii) Advance remittances without insisting on bank guarantee for import of rough diamonds have been permitted.

(iv) Duty free import entitlement of consumables, tools, machinery and equipment for metals other than Gold, Platinum shall be 2% and for Gold and Platinum shall be 1% of FOB value of exports during previous financial year. However, for rhodium-plated silver jewellery, entitlement shall be 3%.

(v) Duty free import entitlement of gems & jewellery samples in a financial year upto Rs.300,000/- or 0.25% of the average of last three years export turnover of gems and jewellery items, whichever is lower has been allowed.

(vi) Cutting and polishing has been treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vii) Gems & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import.

(viii) Import duty on cut and polished diamonds has been abolished.

(ix) Income Tax on turnover basis has been introduced for diamond units where profits declared are 8% or more of turnover.

Besides, the Government also extends financial assistance for various sales promotion activities undertaken in foreign markets.

The Government has enacted several legislations like the Workmen`s Compensation Act, 1923; the Minimum Wages Act, 1948; the Child Labour (Prohibition & Regulation) Act, 1986; Payment of Wages Act, 1936; Inter-state Migrant Workmen (Regulation of employment and condition of service) Act, 1979; the Maternity Benefit Act, 1961; the Contract Labour (Abolition and Prohibition Act, 1970, to protect the interest of the workers in the country.